



Department of Commerce

Innovation is in our nature.

Expectations of a Foreclosure Mediator

As a foreclosure mediator, you will mediate conversations between homeowners and beneficiaries. Your role is to conduct a neutral non-judicial process where each party is fully and fairly heard. The goal of mediation is to reach a resolution that all parties can agree to. You must require participants to exchange financial and loan documents. This will ensure that all parties have the information they need to try to reach a resolution.

In mediation, a foreclosure mediator needs to consider:

- the borrowers' current and future income, debts, and obligations;
- the net present value (NPV) of payments for a modified mortgage loan as compared to the anticipated net recovery following foreclosure;
- loss mitigation guidelines for loans insured by the Federal Housing Administration, the Veterans Administration, and the Rural Housing Service, as applicable;
- any affordable loan modification calculation and NPV calculation when required under any federal mortgage relief program, including the Home Affordable Modification Program (HAMP) and related programs. (If the HAMP program does not apply, the beneficiary must use calculations, assumptions, and forms established by the FDIC loan modification program.)

Successful mediation requires fairness and impartiality from the mediator. Foreclosure mediators must avoid conflicts of interest. The Department of Commerce will monitor and evaluate mediations. Complaints regarding non-compliant foreclosure mediation practices will be investigated and may be referred to the Attorney General's Office of Consumer Fraud.

As a foreclosure mediator, you serve the greater community, including Washington citizens and business institutions. Your payment for mediation may not reflect the amount of time and skill you provide. The Foreclosure Fairness Act ([RCW 61.24.163](#)) provides specific limitations on the amount that can be charged for conducting foreclosure mediations. Unless the fee is waived or another agreement is made, a flat fee of \$400 will be charged. Half of this fee will come from the homeowner and half from the beneficiary. If the fee is waived, it must be waived for both parties. If you are affiliated with a Dispute Resolution Center, your Center staff may set up your mediations and receive payments directly. If you are an attorney or a retired judge, the \$400 flat fee will go to you.

To be a foreclosure mediator, you must have previous mediation training and experience (see [RCW 61.24.169](#)). You must also attend specialized foreclosure mediation training before you will be considered for the approved list of foreclosure mediators. Trainings for foreclosure mediators are scheduled by the Department of Commerce. If you have significant mediation training and experience, you are invited to join our waiting list. For more information, please contact Lori Salzer at (360) 725-3026 or Lori.Salzer@commerce.wa.gov.